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THE BUSINESS REVIEW

FEDERAL RESERVE BANK OF PHILADELPHIA

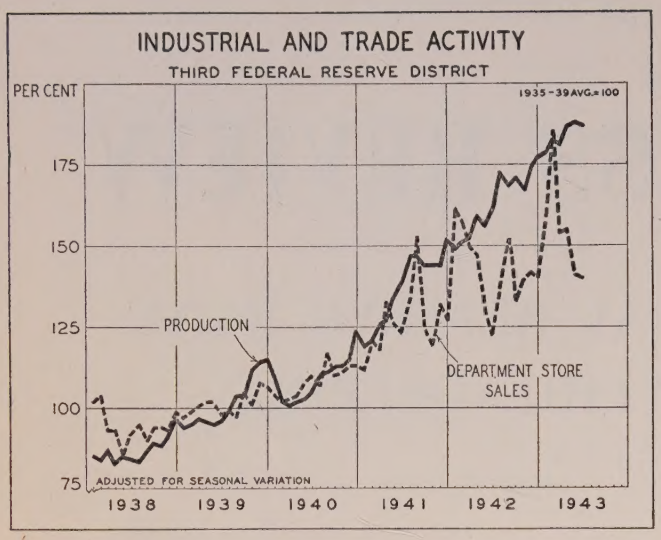
AUGUST 2, 1943

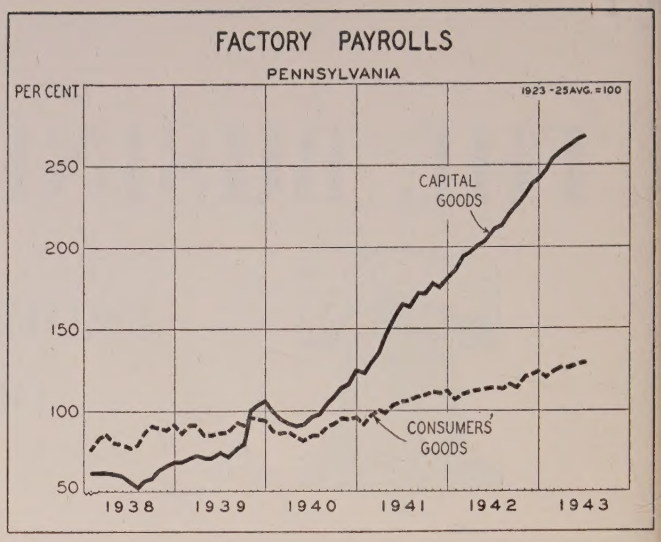
FLEXIBLE production schedules have been devised and perfected to enable industry to restore maximum output quickly after changes in product have been ordered. The changes, occasioned by performance reports from the battle fronts and by changes in military requirements, are frequent. Although the major change-over from production for peace to production for war, known as conversion, has long since been virtually completed, the frequent modifications in products require almost constant conversions on a smaller scale. In mastering a technique to achieve such smaller conversions with little loss in output, industry is gaining additional experience that will be invaluable when the major task becomes reconversion to peace. Although production schedules mitigate, they cannot overcome the effect of major work stoppages in a key industry, which permeate all industry.

Manufacturing. Demand for the products of most heavy industries in this district continues at the peak levels prevailing for many months. Recently, military requirements in a few categories have been reduced for strategic reasons, but in a number of others production goals have been raised substantially. The building materials industry remains the only major durable goods line in which sales have shown a progressive decline since early this year. New orders for these products have diminished month by month as military and facilities projects neared completion and a steadily increasing volume of contemplated construction was postponed on the recommendation of the War Production Board. In nondurable goods lines the demand from both Government and civilian sources remains heavy, in some cases exceeding the supply by a wide margin.

Operations at munitions plants generally are being maintained close to capacity in spite of numerous changes in the types of military equipment required. In most instances, flexible production schedules permit broad revisions to be made, with the resumption of maximum output achieved in a very short period. Productive activity in essential nondurable goods industries has fluctuated narrowly in recent weeks. By standardizing and simplifying a large number of textile, leather, and other products it has been possible to maintain operations at unusually high levels, as this procedure makes the most efficient use of limited supplies of raw material and available manpower.

Factory employment, payrolls, and total working time in Pennsylvania increased about one per cent from May to June. The number of wage earners rose to an estimated 1¼ million, the largest reported in recent years, and the volume of wage disbursements advanced to a record high of over $50 million a week. Compared with June 1942, employment showed a gain of 4 per cent, payrolls 23 per cent, and employee-hours 10 per cent, with the largest increases continuing chiefly at munitions plants





and in certain other heavy industries contributing indirectly to the war effort.

The weekly income of factory workers at reporting establishments in Pennsylvania advanced slightly in June to a new high average of $44.61, a gain of 18 per cent in twelve months and 67 per cent in the three years of defense and war activity. Hourly earnings showed a further small rise, averaging $1.00 in June, as against 99 cents in May, and about 90 cents a year ago. Average working time has approximated 45 hours a week per employee for four successive months, the highest reported in more than ten years.

Output of manufactured goods in this district increased slightly further in June, reflecting gains in both heavy and light industries. The production of durable goods rose about 2 per cent from May, and was nearly one-third greater than a year ago. In nondurable goods lines output increased about 1 per cent in June, owing principally to a higher rate of activity at establishments making certain food products. In the six months ended June, total output of factory products was over one-fifth greater than in the same period of 1942; production in the heavy industries showed a gain of 36 per cent, as against an increase of only 2 per cent at plants turning out lighter products.

Coal and other fuels. Work stoppages during May and June and curtailed operations in early July, while miners were returning to the collieries, are reflected in the exceptionally heavy demand for solid fuels. On several occasions last month, deliveries of bituminous coal were diverted from less essential consumers to steel plants and other war industries whose reserves were depleted. This practice was especially prevalent in parts of Pennsylvania, where full-scale resumption of mining operations was delayed by unauthorized strikes in several collieries. With the completion of the eastward extension of the oil pipe line from Texas, larger supplies of crude petroleum are moving toward the Atlantic Seaboard.

Output of anthracite averaged only 123,000 tons a day in June, as against nearly 210,000 in May and 197,000 a year ago, when the mines were operating five instead of the present six days a week. Total production was the smallest for any month since the outbreak of war in Europe nearly four years ago. The volume of hard coal mined in the first half of 1943 totaled 29 million tons, or slightly less than 45 per cent of the full year's estimated requirements of 65 million tons. By the middle of July, however, anthracite mines were again producing at a high rate.

Production of bituminous coal in Pennsylvania declined about one-third in June to an average of less than 300,000 tons a day. Output was down 36 per cent from a year earlier, and with the exception of one month, it was the smallest since July 1939. The volume of soft coal mined in the six months ended June approximated 67 million tons, or 8 per cent less than in the same period last year. Operations at mines in this state increased in early July, but the middle of the month was past before

production reached the level reported before the June closing.

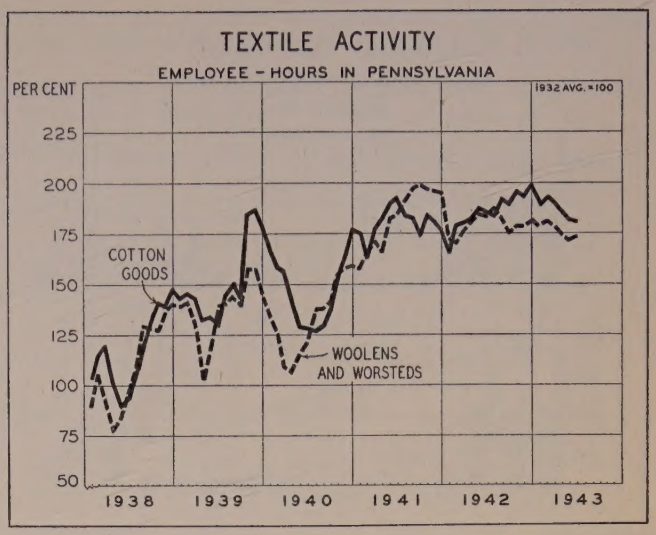
The output of by-product coke was maintained in large volume in June, although supplies of coking coal became scarce toward the close of the month. Beehive coke production in Pennsylvania was severely curtailed as reserves of fuel became depleted.

Building. Although construction activity has risen somewhat since the early spring, operations continue lower than in 1942, when a record volume of new facilities was needed to produce equipment for our armed forces and provide living quarters for war workers and military personnel. At present, neither manpower nor material is available for other than the most urgent war requirements, as indicated by the exceptionally low rate of operations prevailing in the private residential field, and recent sharp declines in industrial building of all kinds. Some construction projects already under way have been suspended for an indefinite period, and contracts for others have been cancelled.

New contracts awarded in June, totaling less than $10 million, were the smallest for that month since 1935, and showed a decline of 75 per cent from a year ago. Placements for one- and two-family houses, factory buildings, and unclassified projects exceeded the unusually small volume reported in May; but as in the case of all other types of construction, the value of these contracts was sharply lower than in June 1942. Total awards in the first half of 1943 amounted to only $98 million, as against $178 million in the same period last year, reflecting principally a drastic reduction in contracts for factories, small houses, and public works and utilities.

Agriculture. Influenced by favorable growing conditions, the outlook for most crops in this district, as in the country, continued to improve throughout July. Farming operations progressed according to schedule wherever adequate supplies of labor were available. Workers imported from the West Indies early this season have relieved a tight situation in parts of New Jersey and eastern Pennsylvania, although acute shortages persist in the vicinity of war industry centers.

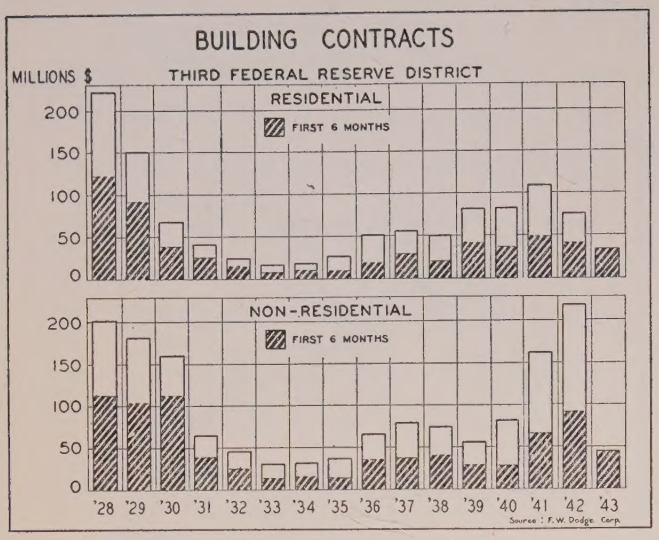
Many truck and field crops are maturing



unusually late this year, as planting was delayed by unfavorable weather during May and the first half of June. But the quality of these crops is said to be high; and prospective yields, while somewhat smaller than in 1942, are not far below the average for other recent years. Production of orchard fruits is expected to decline in 1943. The yield of early apples was unusually small, and later varieties are reported to have set rather lightly. The peach crop in New Jersey may approximate the ten-year average, but output in Pennsylvania and Delaware will be lower, and considerably less than in 1942.

The market for agricultural commodities remains exceptionally strong, reflecting heavy demand and in some cases limited supplies of produce. Farm cash income in Pennsylvania, New Jersey, and Delaware is increasing sharply, according to Department of Agriculture reports. In the five months ended May, receipts from the sale of crops, livestock, and livestock products totaling nearly $275 million were 28 per cent greater than in 1942, and the largest for the period in more than ten years.

Trade. Reflecting a continued active demand from consumers with larger spendable incomes, retail sales by reporting stores in this district in June remained substantially above the 1942 level. At department stores the increase was 15 per cent, and at apparel and shoe stores the value of sales was approximately one-third greater than a year earlier. Changes from May to June were about in line with seasonal expectations at department and women's apparel stores, but unusual increases were reported in



the case of men's apparel and shoes. A sharp gain in sales of leather footwear reflected in large part an exceptionally heavy demand in the two weeks preceding the expiration date for the first period ration coupon.

Inventories at department and women's apparel stores increased on an adjusted basis from May to June but declined somewhat at shoe stores. At the end of the month stocks in dollars were sharply lower than a year ago, except at women's apparel stores. Outstanding commitments for merchandise continue unusually heavy; in the case of department stores, goods on order at the close of June reached a new war-time peak over three times the dollar volume reported a year earlier.

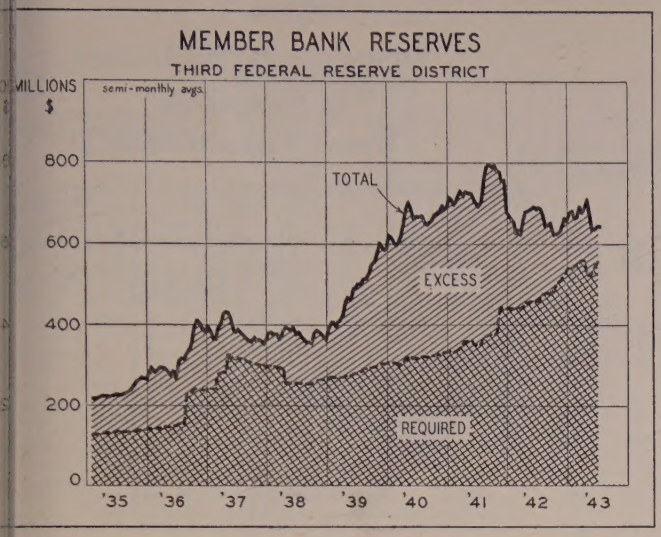
Wholesale trade volume continued to expand in June, increasing 5 per cent to a level 16 per cent above 1942. Improvement in the month reflected an unusually steep rise in sales of shoes, and moderate gains in the case of groceries and hardware. Sales in all reporting lines but paper and hardware were larger than a year ago. Inventories in most lines decreased further from May to June; and in all cases they were smaller than in 1942.

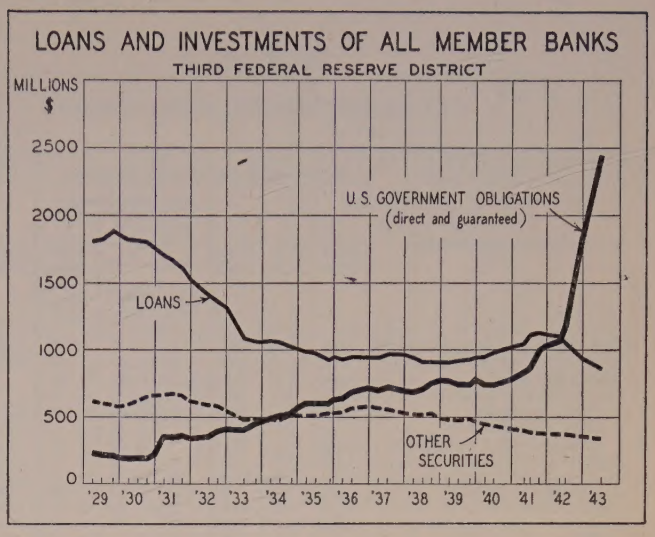
Freight car loadings in this section decreased in June, when coal and coke shipments were drastically curtailed by the suspension of mining operations in both anthracite and bituminous fields. The movement of merchandise and miscellaneous commodities, grain, and forest products was well maintained. Although the number of cars loaded in June and in the first six months was less than a year ago, the volume of shipments as measured in revenue ton-miles remained greater. Reports from the Association of American Railroads indicate that aggregate ton-miles of revenue freight handled throughout the country were 13 per cent greater in June this year than last. In the first six months, the increase over 1942 was 22 per cent; comparison with the same period of 1939 showed a rise of 143 per cent.

Banking conditions. The Treasury has set $15 billion as the objective of the Third War Loan Drive, scheduled to get under way September 9. This record-breaking goal, all of which is to be obtained from investors other than commercial banks, compares with a minimum of $8 billion set for such purchasers in the April drive, when $13½ billion was actually subscribed, including $659 million from the Third Federal Reserve District. Estimates show that holdings of Governments by others than commercial banks, Reserve Banks, and Government agencies increased from $30 billion to $64 billion in the period from December 1941 to the end of April 1943, accounting for about one-half of the growth in United States Government obligations.

Intensification of the effort to raise funds from noninflationary sources complements other measures to restrain inflation—increased taxes, price controls, and the steps taken to ration scarce and essential commodities. Individual incomes have been rising steadily as war expenditures increase. In June expenditures for war by the Treasury and the Reconstruction Finance Corporation reached $7.7 billion. The average of $296 million for each check-clearing day compared with $236 million last December and with $67 million in the month preceding our entrance into the war.

Subscriptions to Treasury 1½ per cent notes at the end of June were exceedingly heavy, topping $19 billion on an offer of about $2½ billion. Allotments on subscriptions for more than $100,000 were cut to 7 per cent, with a minimum of $100,000. In the Third Federal Reserve District tenders and allotments were respectively $1,161 million and $135 million. Thus far this year the Treasury had been raising $200 million of new money each week through sales of bills. But with the issue dated July 21 offerings were held at $1 billion, although redemptions increased from $800 mil-





lion to $900 million. Placements in this district in July exceeded maturities by $29 million.

Deposits at country member banks increased further in the first half of July, but at banks in Philadelphia were still somewhat under peaks earlier in the spring. The total of $4,522 million for all members was up one-half billion dollars since the turn of the year, and $1.6 billion since the inception of the defense effort.

Some light was thrown on the ownership of deposits by figures submitted a short time ago. Reports from 14 banks in the district showed that demand balances of individuals and business concerns increased from $1 billion to $1.3 billion in the 1¼ years ended March 31, and that balances of $100,000 or more increased 30 per cent, as against 21 per cent in smaller-sized deposits. The most significant change among the large deposits was an expansion of 59 per cent in funds of non-financial businesses, reflecting such factors as reduced inventories in some of the less essential lines, increased working capital required by expanded war industries, and uninvested reserves. Large balances of financial businesses and individuals declined.

Reserves of member banks in Philadelphia in the first half of July exceeded requirements by about 4 per cent, as against 36 per cent at the country banks in this district. Aggregate reserves increased slightly in the four weeks ended July 21. The drain of an active currency demand on reserves was more than offset, chiefly by gains in private interdistrict transactions, net Treasury disbursements, and an increase in Reserve Bank credit outstanding.

Banks have made little use of the discount facilities of the Reserve Bank as a means of adjusting reserve positions, but in the past month have had substantial recourse to operations in Treasury bills, selling to the Reserve Bank to compensate for losses of reserves and buying bills back as they gained funds. Holdings of Governments by this Bank, including participation in the System Open Market Account, increased $28 million to $467 million.

At reporting banks, outstanding credit increased several millions in the four weeks ended July 21, but was still below the high point reached in May. Loans declined further, while investments increased. Expansion in securities reflected principally delivery of the new 1½ per cent Treasury notes. Somewhat larger holdings of Treasury bonds also were shown, but the investment in certificates declined and Treasury bills decreased $29 million to $211 million, comparing with a peak of $308 million toward the close of April.

Loans and investments of all member banks reached a new peak of $3,773 million on June 30, according to preliminary tabulations. The investment in United States Government obligations—totaling $2,445 million—accounted for nearly two-thirds of all outstanding credit and was more than three times as large as at the beginning of the defense effort in 1940. The increase in the first half of the year was $604 million. Declines in other assets included a shrinkage of $70 million in loans to $855 million and a decrease of $49 million to $473 million in securities other than Governments.

BUSINESS STATISTICS

Production

Philadelphia Federal Reserve District

Indexes: 1923-5 =100	Adjusted for seasonal variation						Not adjusted		
				Per cent change June 1943 from					
	June 1943	May 1943	June 1942	Mo. ago	Year ago	1943 from 6 mos. 1942	June 1943	May 1943	June 1942
INDUSTRIAL PRODUCTION	151p	152	130	− 1	+ 16	+ 19	150p	151	129
MANUFACTURING	159p	157	132r	+ 1	+ 21	+ 21	157p	156	131
Durable goods	256p	252	194r	+ 2	+ 32	+ 36	.....	.....	.....
Consumers' goods	95p	94	90	+ 1	+ 5	+ 2	.....	.....	.....
Metal products	174	177	157	− 2	+ 10	+ 12	175	175	159
Textile products	72p	73	74	− 1	− 3	− 4	70p	71	73r
Transportation equipment	716p	677	441r	+ 6	+ 62	+ 77	713p	700	440r
Food products	117p	110	97	+ 6	+ 20	+ 15	106p	103	90
Tobacco and products	114	114	116	0	− 2	− 4	123	111	126
Building materials	39p	40	52r	− 2	− 24	− 20	42p	41	56
Chemicals and products	158p	162	133	− 2	+ 19	+ 11	158p	164	133
Leather and products	107p	117	116r	− 9	− 8	− 13	104p	106	113r
Paper and printing	94	90	90	+ 4	+ 4	− 1	93	91r	89
Individual lines									
Pig iron	113	101r	115	+13	− 2	− 2	108	105r	110
Steel	138	134	129r	+ 4	+ 7	+ 7	141	140	131
Silk manufactures	88	88	90	+ 1	− 3	+ 2	84	84	86
Woolens and worsteds	64p	64	63	+ 1	+ 3	− 3	62p	60	61
Cotton products	59	58	62r	+ 2	− 4	+ 2	56	57	59r
Carpets and rugs	55p	58	58	− 4	− 6	− 6	54p	57	57
Hosiery	80	80r	81	0	0	− 2	79	80r	79
Underwear	163	161r	154	+ 1	+ 5	+ 5	163	163r	154
Cement	40p	41r	68	− 3	− 42	− 36	48p	46r	82
Brick	60	58r	69	+ 4	− 13	− 9	63	61r	72
Lumber and products	27	29	32	− 6	− 14	− 10	28	27	33r
Bread and bakery products	.....	.....	.....	+ 3*	+ 11*	+ 14*	114	111	103
Slaughtering, meat packing	110	104	100	+ 6	+ 10	0	103	104	95
Sugar refining	85	76	29	+11	+194	+ 44	91	94	31
Canning and preserving	164p	151	115r	+ 8	+ 43	+ 32	117p	114	83
Cigars	114	114	116	0	− 2	− 5	123	111	125
Paper and wood pulp	85	85	79	0	+ 7	− 4	84	85	78
Printing and publishing	96	91	92r	+ 5	+ 4	− 1	95	92	91r
Shoes	135	138	138	− 2	− 2	− 6	129	125	131
Leather, goat and kid	80p	97	96r	−18	− 17	− 22	80p	88	97r
Paints and varnishes	93	86r	81	+ 8	+ 14	− 1	95	91r	83
Coke, by-product	166p	155	157r	+ 7	+ 6	+ 4	166p	161	157r
COAL MINING	49	81	78r	−40	− 38	− 2	48	80	77
Anthracite	46	78	74r	−41	− 38	− 1	46	78	74
Bituminous	71	105r	111	−32	− 36	− 8	62	94r	98
CRUDE OIL	406	406	458	0	− 11	− 10	422	422	476
ELEC. POWER—OUTPUT	415	414	374	0	+ 11	+ 12	394	385	356
Sales, total	427	400	367	+ 7	+ 16	+ 13	414	384	356
Sales to industries	325	316	269	+ 3	+ 21	+ 17	328	322	271
BUILDING CONTRACTS									
TOTAL AWARDS†	46	67	131	−32	− 65	− 16	46	64	134
Residential†	33	43	57	−23	− 42	− 2	35	45	60
Nonresidential†	60	75	212	−20	− 72	− 26	61	79	216
Public works and utilities†	48	119	162	−60	− 70	− 12	46	83	154

* Unadjusted for seasonal variation.
† 3-month moving daily average centered at 3rd month.
p—Preliminary.
r—Revised.

Local Business Conditions*

Percentage change—June 1943 from month and year ago	Employment		Payrolls		Building permits value		Retail sales		Debits	
	May 1943	June 1942	May 1943	June 1942	May 1943	June 1942	May 1943	June 1942	May 1943	June 1942
Allentown	− 1	− 5	− 1	+17	− 78	− 26	+ 5	+18	+ 6	+15
Altoona	0	− 3	+ 1	+ 4	+157	+136	− 5	+14	+12	+ 7
Harrisburg	0	− 6	− 2	+11	− 88	+122	− 6	+13	+ 3	+14
Johnstown	0	− 5	0	+17	+147	+ 19	− 2	+15	+12	+ 4
Lancaster	+ 4	+11	+ 3	+31	− 59	− 24	0	+27	+10	+19
Philadelphia	0	+13	+ 1	+34	− 49	+122	− 3	+17	+ 5	+19
Reading	+ 2	− 4	+ 1	+16	+117	+ 41	− 5	+15	+10	+22
Scranton	+ 1	+ 4	+ 1	+19	− 32	− 50	− 7	+20	+10	+ 2
Trenton	.....	.....	.....	.....	− 66	− 11	+ 2	+21	−21	− 5
Wilkes-Barre	0	+ 2	− 2	+ 1	+ 53	− 45	0	+20	+ 6	+20
Williamsport	− 1	+ 6	− 5	+22	+ 37	− 69	.....	.....	+ 6	+11
Wilmington	+ 2	+41	+ 2	+80	− 90	+139	0	+15	+19	+11
York	+ 3	− 1	+ 1	+ 9	− 68	+ 54	− 6	+13	+ 3	+13

* Area not restricted to the corporate limits of cities given here.

Employment and Income

in Pennsylvania

Industry, Trade and Service

Indexes: 1932 =100	Employment			Payrolls		
	June 1943 index	Per cent change from May 1943	Per cent change from June 1942	June 1943 index	Per cent change from May 1943	Per cent change from June 1942
GENERAL INDEX	134	+ 1	0	308	0	-
Manufacturing	184	+ 1	+ 4	466	+ 1	-
Anthracite mining	52	− 1	−14	62	−20	-
Bituminous coal mining	85	0	−18	246	−21	-
Building and construction	49	+ 6	−17	123	+ 8	-
Quar. and nonmet. mining	103	+ 1	−18	308	+ 1	-
Crude petroleum prod.	130	− 5	− 8	206	− 1	-
Public utilities	100	0	− 5	136	+ 1	-
Retail trade	111	+ 1	0	152	+ 3	-
Wholesale trade	108	0	− 8	145	+ 2	-
Hotels	101	+ 1	+ 2	154	+ 1	-
Laundries	110	+ 2	+40	175	0	-
Dyeing and cleaning	104	+ 1	− 8	184	0	-

Manufacturing

Indexes: 1923-5 =100	Employment*			Payrolls*		
	June 1943 index	Per cent change from May 1943	Per cent change from June 1942	June 1943 index	Per cent change from May 1943	Per cent change from June 1942
TOTAL	119	+ 1	+ 4	190	+ 1	-
Iron, steel and products	131	0	+ 5	269	+ 1	-
Nonferrous metal products	198	+ 2	+ 4	394	+ 3	-
Transportation equipment	148	+ 2	+28	250	+ 1	-
Textiles and clothing	86	0	− 6	122	− 1	-
Textiles	78	0	− 6	113	0	-
Clothing	116	0	− 6	164	− 2	-
Food products	114	+ 3	+ 4	166	+ 5	-
Stone, clay and glass	89	+ 1	− 7	123	+ 2	-
Lumber products	52	+ 2	−11	76	+ 3	-
Chemicals and products	121	− 1	+ 5	204	0	-
Leather and products	83	− 1	−15	118	− 1	-
Paper and printing	102	+ 1	+ 1	140	+ 1	-
Printing	93	+ 1	+ 1	123	+ 3	-
Others:						
Cigars and tobacco	62	+ 2	−12	82	+ 1	-
Rubber tires, goods	133	+ 4	+38	253	+ 8	-
Musical instruments	68	+12	+ 9	116	+ 9	-

* Figures from 2918 plants.

Hours and Wages

Factory workers Averages June 1943 and per cent change from year ago	Weekly working time*		Hourly earnings*		Weekly earnings
	Average hours	Ch'ge	Average	Ch'ge	Average
TOTAL	44.9	+ 6	$.999	+11	$44.61
Iron, steel and prods.	46.0	+ 6	1.072	+10	49.35
Nonfer. metal prods.	45.2	+ 7	.915	+ 9	41.39
Transportation equip.	47.8	+ 1	1.138	+10	54.41
Textiles and clothing	39.9	+ 4	.713	+12	28.33
Textiles	40.8	+ 5	.738	+13	30.09
Clothing	38.0	+ 4	.652	+11	24.84
Food products	44.4	+ 8	.777	+ 8	34.73
Stone, clay and glass	39.6	+ 6	.871	+ 6	34.44
Lumber products	43.8	+ 6	.707	+13	30.79
Chemicals and prods.	44.9	+14	1.008	+ 7	45.12
Leather and prods.	40.1	+ 2	.711	+11	28.55
Paper and printing	42.6	+ 8	.863	+ 9	37.15
Printing	40.3	+ 7	1.008	+ 9	40.74
Others:					
Cigars and tobacco	41.5	+ 8	.583	+13	24.16
Rubber tires, goods	44.4	+ 5	.947	+13	42.04
Musical instruments	48.2	+ 5	.919	+13	44.27

* Figures from 2764 plants. † Figures from 2918 plan

Distribution and Prices

Wholesale trade Unadjusted for seasonal variation	Per cent change: June 1943 from Month ago	Per cent change: June 1943 from Year ago	Per cent change: 1943 from 6 mos. 1942
Sales			
Total of all lines	+ 5	+16	+13
Boots and shoes	+69	+69	+18
Drugs	+ 4	+ 6	+ 6
Dry goods	− 4	+37	+20
Electrical supplies	− 2	+ 6	+48
Groceries	+10	+19	+11
Hardware	+10	− 6	−12
Jewelry	− 5	+ 8	− 5
Paper	− 2	−13	−27
Inventories			
Total of all lines	− 1	−27	.....
Dry goods	− 1	−31	.....
Electrical supplies	+12	−52	.....
Groceries	− 5	−14	.....
Hardware	+ 1	−19	.....
Jewelry	− 8	−44	.....
Paper	− 2	−14	.....

Source: U. S. Department of Commerce.

Prices	June 1943	Per cent change from Month ago	Per cent change from Year ago	Per cent change from Aug. 1939
Basic commodities (Aug. 1939 =100)	176	0	+ 6	+ 76
Wholesale (1926 =100)	104	0	+ 5	+ 38
Farm	126	0	+21	+107
Food	110	− 1	+10	+ 63
Other	97	0	+ 1	+ 21
Living costs (1935-1939 =100)				
United States	125	0	+[illegible]7	+ 27
Philadelphia	124	− 1	+ 8	+ 26
Food	139	− 2	+16	+ 50
Clothing	127	0	+ 1	+ 29
Rent	107	0	0	+ 4
Fuels	106	0	+ 2	+ 10
Housefurnishings	124	+ 1	+ 2	+ 23
Other	115	0	+ 3	+ 14

Source: U. S. Bureau of Labor Statistics.

Indexes: 1935–1939 =100	Adjusted for seasonal variation: June 1943	May 1943	June 1942	Per cent change: June 1943 from Month ago	Per cent change: June 1943 from Year ago	Per cent change: 1943 from 6 mos. 1942	Not adjusted: June 1943	May 1943	June 1942
RETAIL TRADE									
Sales									
Department stores—District	140p	141	122	− 1	+15	+ 8	134p	139	116
Philadelphia	140	142	122	− 1	+15	+ 9	132	136	114
Women's apparel	139	137	104	+ 1	+34	+23	120	131	90
Men's apparel	136	131	102	+ 4	+33	+ 2	156	125	118
Shoe	164p	107	122	+ 52	+34	+ 5	195p	139	145
Inventories									
Department stores—District	141p	130	191	+ 8	−26	.....	132	131	178
Philadelphia	142	130	193	+ 9	−27	.....	132	130	180
Women's apparel	191	165	180	+ 15	+ 6	.....	157	160	147
Shoe	93p	94	127	− 2	−27	.....	89p	100	122
FREIGHT-CAR LOADINGS									
Total	130	142	139	− 8	− 6	− 6	134	143	143
Merchandise and miscellaneous	132	131	129	+ 1	+ 2	− 6	135	135	132
Merchandise—l.c.l.	88	86	80	+ 2	+ 9	−12	88	86	80
Coal	112	158	159	− 29	−29	− 6	101	141	143
Ore	201	217	221	− 7	− 9	−18	296	276	326
Coke	179	232	208	− 23	−14	− 1	166	197	193
Forest products	120	119	123	+ 1	− 3	− 7	137	114	140
Grain and products	135	132	115	+ 3	+17	+ 6	118	123	100
Livestock	133	134	108	− 1	+23	+11	121	122	98
MISCELLANEOUS									
Life insurance sales	100	106	78	− 6	+29	− 3	102	105	79
Business liquidations									
Number	.....	.....	.....	+ 7*	−67*	−61*	22	21	69
Amount of liabilities	.....	.....	.....	+207*	−58*	+64*	13	4	30
Check payments	156	161	134	− 3	+17	+17	169	161	145

* Computed from unadjusted data. p—Preliminary. r—Revised.

BANKING STATISTICS

Reporting member banks (000,000's omitted)	July 21, 1943	Changes in— Four weeks	Changes in— One year
Assets			
Commercial loans	$ 231	−$ 2	−$ 60
Loans to brokers, etc.	31	.....	+ 4
Other loans to carry secur.	11	.....	*
Loans on real estate	44	.....	− 4
Loans to banks	.....	− 5	.....
Other loans	109	− 2	*
Total loans	$ 426	−$ 9	−$ 90
Government securities	$1390	+$14	+$715
Obligations fully guar'teed	77	+ 4	+ 14
Other securities	202	− 5	− 48
Total investments	$1669	+$13	+$681
Total loans & investments	$2095	+$ 4	+$591
Reserve with F. R. Bank	403	+ 3	− 88
Cash in vault	27	− 1	+ 2
Balances with other banks	80	− 3	− 41
Other assets—net	62	+ 2	− 5
Liabilities			
Demand deposits, adjusted	$1675	+$30	+$289
Time deposits	161	+ 1	− 7
U. S. Government deposits	233	− 21	+ 189
Interbank deposits	362	− 5	− 16
Borrowings	.....	.....	.....
Other liabilities	13	− 1	− 1
Capital account	223	+ 1	+ 5

* Not available.

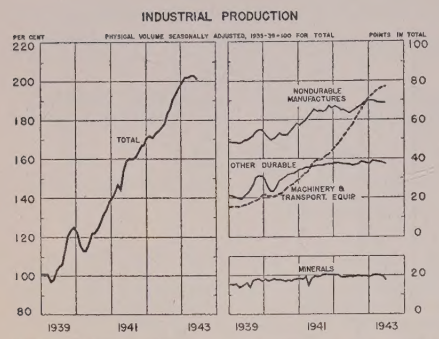
MEMBER BANK RESERVES AND RELATED FACTORS

Philadelphia Federal Reserve District (Millions of dollars)	Changes in weeks ending— June 30	July 7	July 14	July 21	Changes in four weeks
Sources of funds:					
Reserve Bank credit extended in district	+31.8	+18.5	−20.0	−22.2	+ 8.1
Commercial transfers (chiefly interdistrict)	+14.9	− 1.2	− 4.9	+ 3.2	+12.0
Treasury operations	−41.1	− 1.6	+26.4	+28.8	+12.5
Total	+ 5.6	+15.7	+ 1.5	+ 9.8	+32.6
Uses of funds:					
Currency demand	+13.0	+11.6	+ 6.5	+ 1.7	+32.8
Member bank reserve deposits	− 6.5	+ 4.4	− 4.3	+ 8.8	+ 2.4
"Other deposits" at Reserve Bank	− 0.6	+ 0.0	− 0.8	− 0.6	− 2.0
Other Federal Reserve accounts	− 0.3	− 0.3	+ 0.1	− 0.1	− 0.6
Total	+ 5.6	+15.7	+ 1.5	+ 9.8	+32.6

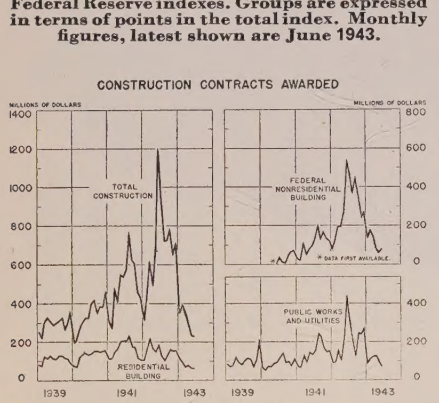
Federal Reserve Bank of Phila. (Dollar figures in millions)	July 21, 1943	Changes in— Four weeks	Changes in— One year
Bills discounted	$ 0.1	−$ 0.2	−$ 0.3
Bills bought	0	0	0
Industrial advances	5.0	+ 0.4	− 0.4
U. S. securities	467.0	+ 27.6	+ 243.9
Total	$472.1	+$27.8	+$243.2
Note circulation	992.3	+ 30.2	+ 312.7
Member bk. deposits	641.3	+ 2.4	− 48.6
U. S. general account	13.8	+ 13.3	− 10.5
Foreign deposits	95.1	+ 5.7	+ 30.3
Other deposits	3.1	− 2.0	− 6.0
Total reserves	1290.1	+ 23.7	+ 27.5
Reserve ratio	73.9%	− 0.8%	− 12.1%

Member bank reserves (Daily averages; dollar figures in millions)	Held	Required	Excess	Ratio of excess to required
Phila. banks:				
1942: July 1-15	$473.9	$313.7	$160.2	51%
1943: June 1-15	383.1	359.4	23.7	7"
June 16-30	388.2	366.9	21.3	6"
July 1-15	379.9	365.5	14.4	4"
Country banks:				
1942: July 1-15	$216.0	$148.0	$68.0	46%
1943: June 1-15	252.2	187.4	64.8	35"
June 16-30	257.3	191.8	65.5	34"
July 1-15	263.6	193.3	70.3	36"

National Summary of Business Conditions

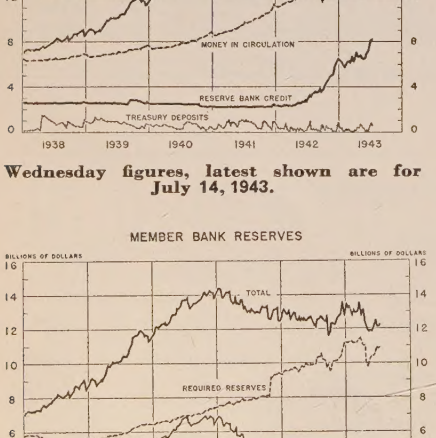


Federal Reserve indexes. Groups are expressed in terms of points in the total index. Monthly figures, latest shown are June 1943.



F. W. Dodge data for 37 Eastern states, total includes state and local government and private nonresidential building not shown separately. Monthly figures, latest shown are for June 1943.

Wednesday figures, latest shown are for July 14, 1943.



Breakdown between required and excess reserves partly estimated. Wednesday figures, latest shown are for July 14, 1943.

Manufacturing activity was maintained at a high level in June while mineral production declined reflecting mainly reduced output of coal. In the early part of July coal production was resumed in large volume. The value of retail trade continued large.

Industrial production. The Board's seasonally adjusted index of total industrial production declined slightly in June from the high level of other recent months. Activity continued to increase at plants producing war products in the chemical, rubber, and transportation equipment industries. These increases were more than offset by a sharp drop in coal production and a temporary reduction in output of coke, pig iron, and steel.

Finished aircraft production, in terms of airframe weight, was 3 per cent higher in June than in May. Delivery of supplies for the Army ground forces rose 1 per cent over May. Tonnage of cargo vessels delivered from merchant shipyards was not up to the record May level; it was, however, higher than in any other month.

In industries manufacturing nondurable goods output as a whole showed little change from May to June. Activity at cotton mills declined—consumption of 917,000 bales of cotton was 50,000 less than in June 1942.

Output at coal mines in June was 30 per cent below May due to the work stoppages, but early in July both anthracite and bituminous coal production recovered to above the levels prevailing a year ago. Crude petroleum production was maintained in June and moved upward in July partly in anticipation of the completion of the pipeline from Texas to the East Coast. Lake shipments of iron ore in June were 6 per cent below the same month last year due to unfavorable weather conditions.

The volume of construction contracts awarded in June was about the same as in May. The value of awards in June was at the lowest level for this month since 1936, according to the F. W. Dodge Corporation.

Distribution. Value of consumer nondurable goods sold at retail was in near record volume in June and the early part of July, while sales of durable goods, many of which are becoming increasingly scarce, were generally below previous peak levels.

Car loadings of revenue freight declined in June, reflecting the drop in coal shipments. Loadings of grain showed the usual increase at this season and the movement of most other commodities was maintained in large volume.

Commodity prices. Wholesale prices of most commodities showed little change in the early part of July, following a decline during June of 1 per cent in the general index. This decline reflected chiefly reductions ordered in maximum prices of butter and meat and seasonal decreases in prices of fresh fruits and vegetables.

Agriculture. Aggregate crop production this year is expected to be 10 per cent smaller than last year but 5 per cent above the average of the preceding 5 years, according to the July 1 official report. Of the major crops, production prospects for grains are the lowest compared with last season, while there are indications of considerably larger harvests for dry beans and peas, flaxseed and potatoes. Output of livestock products has continued in larger volume than a year ago.

Bank credit. During June and the first three weeks of July there was an increase of about 1.4 billion dollars in Reserve Bank holdings of United States Government securities. Continued currency outflow, and increase in required reserves due to the growth of deposits, were reflected in the increased demand for Reserve Bank credit. The expansion in Reserve Bank credit was in the form of Treasury bills sold by member banks to the Federal Reserve Bank under options to repurchase. Holdings of bills showed wide fluctuations during the period as member banks adjusted their reserve positions through sales and repurchases. A large part of the Treasury bills came from New York City banks where excess reserves continued to be low. Total loans and investments of New York City banks have declined recently. Other reporting member banks have shown a continued growth in deposits and U. S. Government securities.

The quarterly report of customer rates at commercial banks for the middle of June showed a further rise in rates charged on loans by large banks throughout the country.